



# What's the Future of Michigan Dentistry?

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**EXCLUSIVE MDA  
RESEARCH RESULTS**

**T**his year, and for the past several years, it seems we "Michiganders" have been subject to an unceasing barrage of gloom-and-doom scenarios about Michigan's economy. Every day in the papers we read of more trouble in the automobile industry, more manufacturers who are "outsourcing" to Mexico or China, and the growing number of "for sale" signs in the streets of our communities.

It makes you wonder what the future holds. As a state, are we really headed for the skids, or are we just going through one of our periodic rough patches as we evolve from a manufacturing-based economy to something different?

More importantly, what does this mean for the practice and profes-

sion of dentistry here in Michigan? We've had it good for a long time. Is that about to change forever?

People are wondering. People are talking. The

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Michigan Dental Association has been watching Michigan's economic climate very closely over the past few years, too. The MDA's leadership is well-aware that the state is experiencing more than its share of economic turmoil. But until recently the MDA did not have a clear answer about what all this really meant for Michigan's dental community.

Now, thanks to a comprehensive study conducted by the American Dental Association's Jackson Brown, Ph.D., we have a better picture of the future of Michigan dentistry. And believe it or not, the future looks pretty good.

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## Here's What Our Future Looks Like

### Demand

- Michigan's population will grow more slowly than the national average.
- As baby-boomers reach 65, elderly will grow in numbers and as a percentage. Disadvantaged minorities will increase in number and as a percentage.
- The Michigan economy has been growing more slowly than the national economy. However, per capita personal income has been growing at about the same rate as the nation.
- The slower aggregate economic growth is due to slow population growth. If this continues, demand for dental services could also grow more slowly.
- Total real spending for dental services has been level.
- Real gross billings per dentist have increased slightly, indicating that in the past the increase in demand has slightly exceeded increase in supply.
- If demand is sluggish and the supply of practicing dentists increases rapidly, the gross income of dentists could be adversely affected. This would make it difficult to attract dentists to practice in Michigan.

### Supply

- Dentists in private practice will increase during the next 20 years, but the growth rate will be slow.
- Population-to-dentist ratio will decline slightly.
- The productive capacity of the dental delivery system will increase during the next 20 years due to improved productivity.

### Dental Students

- One out of six dentists practicing in Michigan is originally from another state.
- The MDA's concern is that over the last several years, more students seem to be leaving Michigan to practice and more students seem to be from out of state.
- Dental students from Michigan tend to stay in the state.

### MDA Membership

- The MDA's membership is aging along with the rest of our society. This means fewer full-dues-paying members to pay the association's bills.
- Additional sources of non-dues revenue will be necessary to fund the MDA.

Source: 2006 MDA Membership Report and L. Jackson Brown, Ph.D., American Dental Association Health Policy Resource Center.

## The Future of Dentistry

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Let's take a look at some of the key findings of the study.

**No work force shortage.** First, the number of dentists in Michigan is expected to match the demand for dental services without a significant work force shortage or excess capacity. According to the Jackson Brown study, the number of dentists in private practice will increase during the next 20 years — but the growth rate will be slow and the population-to-dentist ratio will decline slightly. The capacity of the dental delivery system will increase during the next 20 years, mostly due to improved productivity.

**Slower growth in demand.** Demand growth in Michigan may be slower than for the entire nation. This decrease in demand will be due to various reasons, including a low rate of population growth in the state, an aging population, an increase in the poverty level, and loss of jobs providing dental benefits. Much of this remains a question mark at this point.

**Disadvantaged populations in Michigan are expected to increase.** Due to economic problems, state budget pressures, and a lack of insurance coverage, it is expected that our state's disadvantaged population will grow, thereby exacerbating the access-to-care issue. There are two sides to the access-to-care dilemma. In some areas, we see plenty of dentists, but too many people who cannot afford services. What is the answer? Public policy decisions play a key role here.

In other areas of the state, there are not enough dentists to go around, and this trend may grow more pronounced. Several recognized dental health professional shortage areas already exist in Michigan — often in rural areas. The question is, how do we attract dentists to practice there? In addition to incentives for dentists to go to underserved areas, are there other things that can be done to address this problem?

**Growing maldistribution of dentists.** Related to the access-to-care problem is the maldistribution of dentists in the state: There are too many dentists practicing in the southeastern portion of the state and not enough practicing in the northern regions, the rural areas, and the Upper Peninsula. Consequently, underserved populations in these areas will continue to face a shortage of dentists to serve them. Many of our new graduates are expressing interest in practicing in suburban Detroit or metropolitan Grand Rapids, with much less interest in smaller communities. Is such an attitude shortsighted on their part? Certainly many excellent opportunities will exist for dental professionals who are willing to give it a go in many of our smaller communities.

**No large impact on dental practice sales.** We're not hearing that dentists in the larger cities are struggling to sell their practices, and there are few indications that this will be the case in years to come. However, we do hear

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## Survival Tips

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of many dentists who are having trouble selling in the more rural areas of the state.

**Keeping dental students will be a challenge.** Dental schools in Michigan are maintaining their class sizes. However, more students seem to be leaving Michigan once they graduate. Reasons cited include the weather, the economy — even the state's "cool quotient," or lack thereof. All seem to play a part in the decision of many students to leave the state. The MDA's membership and new dentist committees, as well as the board of trustees, are concerned.

One answer to staunching the flow of new grads out of state is for the association to continue to focus on the dental schools and dental students. In order to stop the potential outflow of new dentists from Michigan, every current dentist needs to get involved and start "courting" potential associates and practice buyers. Our members need to talk up the value of dentistry in Michigan. As mentioned above, outstanding opportunities exist in this state, particularly in many of the smaller communities. Quality-of-life issues should be stressed.

Many of us know that Michigan can be a great place to settle down and raise a family. Many students are not Michigan residents when they come here. Perhaps we all need to do a better job of selling ourselves and our state.

**MDA membership should remain strong.** Many members erroneously believe that membership levels in the Michigan Dental Association have been declining for years. In fact, the exact opposite is true. We have been growing steadily over the past decade. The MDA is near a modern-day high point in membership, with nearly 80 percent of licensed dentists in membership. In many component societies, the percentage is even higher, in some cases well over 90 percent. There is no reason to expect a drop-off in member-

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ship percentages based on current trends.

But — there is a problem. Ever-growing numbers of dentists are retiring, and comparatively fewer new dentists are graduating from school (and staying in Michigan). As a result, the actual number of active, full-dues-paying members is declining — even with our high market share. Over the next few years we'll continue to enjoy as high a percentage of members as ever, but more and more of them will be in the life, working life or retired categories, and not in the full-dues-paying categories. That means an association that is just as big, with just as many members to serve, but with a smaller dues base. Consequently, the aging of the membership will certainly affect the dues income of the association. The MDA leadership is well-aware of this situation and working to maintain a high membership and increase non-dues revenue through MDA Insurance, MDA Service and other revenue streams.

### What it means for you

Contrary to what you may read in the papers, our future is bright! But that does not mean we won't face problems. Much of our future success or failure will be tied into the state's economic fortunes. This is certainly nothing new — we're all used to Michigan's economic roller coaster. But economic redevelopment to replace our declining automotive industry will be critical.

While there is not a great deal that the Michigan Dental Association can do to alter economic or demographic trends, we can all do our part to help create a prosperous Michigan.

Perhaps that means supporting efforts to revitalize our economy, protect our educational institutions, and provide an atmosphere where people — especially young people — want to live.

For those considering the sale of a practice in the future, it is important to mentor new dentists, to keep them in Michigan, and to encourage young people to consider careers in dentistry.

To protect the profession, organized dentistry must remain strong. Without a strong MDA and ADA, dentists may very well lose the ability to be self-regulating. Self-regulation of the profession is why the MDA was created in the first place, and it continues to be a critical reason why each dentist should support organized dentistry.

What is needed now is for all eligible dentists to be active members of their local society, the MDA, and the ADA. We need you to re-ignite the passion you felt as a new dentist and pass it on to a student who's just starting out. Welcome them, mentor them, and encourage them to practice here in our great state, and to help keep the voice of organized dentistry in Michigan strong. If they're not already members, encourage your colleagues to join.

Passing along the membership benefits guidebook in this issue is a great way to start. If you'd like extra copies, just call us at the MDA office and we'll send you some.

As always, the Michigan Dental Association exists to serve you, the dentists of Michigan. With your help, the MDA can continue to do so in 2007 and for many years to come. ♦

